

Message Text

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ACTION EB-11

INFO OCT-01 ARA-11 EUR-25 ADP-00 IO-12 SSO-00 NSCE-00

USIE-00 CCO-00 INRE-00 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 FRB-02 H-02 INR-10 L-03 LAB-06 NSAE-00 NSC-10

PA-03 RSC-01 AID-20 CIEP-02 SS-14 STR-08 TAR-02

TRSE-00 PRS-01 SAL-01 OMB-01 OIC-04 AF-10 RSR-01 /183 W
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O R 301230 Z MAR 73

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC IMMEDIATE 7004

INFO AMEMBASSY LONDON

AMCONSUL RIO DE JANEIRO

C O N F I D E N T I A L BRASILIA 1763

C O R R E C T E D C O P Y (T E X T)

E. O. 11652: XGDS-1

TAGS: EGEN, BR

SUBJ: SOLUBLE COFFEE AGREEMENT

REF: STATE 54184

1. ACCOMPANIED BY ECONOMIC COUNSELOR GOLDSTEIN AND ECONOMIC OFFICER FERRER, AMBASSADOR MET AFTERNOON OF MARCH 29 WITH BRAZILIAN DELEGATION HEADED BY ANDRADE PINTO AND INCLUDING, AMONG OTHERS, ACTING ASSISTANT SECRETARY FOR ECONOMIC AFFAIRS OSWALDO CASTRO LOBO OF FOREIGN MINISTRY.

2. IN OPENING STATEMENT, AMBASSADOR BRIEFLY REVIEWED FRAMEWORK OF PREVIOUS MEETING AND THEN RECALLED THAT BRAZILIAN DEL HAD OFFERED TO MEETING AND THEN RECALLED THAT BRAZILIAN DEL HAD OFFERED TO MEET DIRECTLY WITH PRIVATE ROASTERS IN EFFORT TO FIND SOLUTION TO IMPASSE ON SOLUBLE ISSUE. AFTER CAREFUL CONSIDERATION, AMBASSADOR NOTED, USG FINDS THAT THIS PROCEDURE PRESENTS SEVERAL PROBLEMS, E. G., IT WOULD
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PRODUCE MANY DIFFERENT RESULTS AND WOULD NOT CONSIDER THE INTERESTS OF ALL PARTIES INVOLVED. IF GOB MET COLLECTIVELY WITH PRIVATE ROASTERS, PROCEDURE MIGHT ADDITIONALLY BE COUNTER TO US ANTI- TRUST LEGISLATION. THUS, USG SAW NO REAL POSSIBILITY OF DIRECT TALKS BETWEEN IBC AND ROASTERS. SIMILAR PROBLEMS WOULD ARISE IN GOVERNMENTAL DISCUSSIONS WHEREIN PRIVATE INDUSTRY REPRESENTATIVES PARTICIPATED. THUS, AMBASSADOR URGED CONTINUED GOVERNMENT DISCUSSIONS AND ASKED WHAT SPECIFIC PROPOSALS IBC INTENDED PRESENT TO PRIVATE ROASTERS.

3. ANDRADE PINTO STATED GOB NOT PREPARED AT THIS MEETING TO PRESENT A GENERAL PROPOSAL. HE HAD HOPED IBC WOULD BE ABLE TO DEAL INDIVIDUALLY WITH PRIVATE COMPANIES, ACCOMPANIED BY USG REPRESENTATTIVES. NEVERTHELESS, HE STATED HIS WILLINGNESS CONSULT HIS COLLEAGUES, FORMULATE A GENERAL PROPOSAL, AND PRESENT IT TO THE AMBASSADOR AT A LATER DATE.

4. AMBASSADOR EXPRESSED APPRECIATION AND NOTED THAT, FROM USG VIEWPOINT, TIME CONSIDERATION WITHIN SUCH A PROPSAL WOULD BE MOST IMPORTANT. UP TO OCT 1972, BOTH ICA AND SOLUBLE ACCORD WERE IN FULL EFFECT. BETWEEN OCT AND DEC EXPORT COFFEE REGISTRATIONS WERE SUSPENDED EVEN THOUGH ICA AND QUOTA PROVISIONS THEREIN WERE IN EFFECT. OUR VIEWPOINT IS THAT SINCE DEC BOTH ICA AND SOLUBLE HAVE REMAINED IN EFFECT AND WILL CONTINUE IN EFFECT UNLESS AND UNTIL AGREE- MENT IS REACHED TO CONSIDER SOLUBLE ACCORD TO HAVE LAPSED, PENDING WHICH WE CONSIDER IT STILL IN EFFECT. AMBASSADOR REITERATED HOPE THAT GOB PROPOSAL WILL ADDRESS ITSELF TO THE ENTIRE TIME PERIOD INVOLVED. (AMBASSADOR MADE STRONG POINT OF THIS IN LIGHT INFO CONTAINED LAST PARA BELOW).

5. RESPONDING TO AMBASSADOR' S INQUIRY, ANDRADE PINTO AGREED PROVIDE WRITTEN GOB PROPOSAL PRIOR TO HIS DEPARTURE FOR LONDON APRIL 4. MEETINGS WOULD RESUME ABOUT APRIL 14, I. E., AFTER HE HAS RETURNED FROM LONDON AND AFTER USG HAS HAD OPPORTUNITY TO STUDY GOB PROPOSAL.

6. COMMENT: A. PARA 6 OF REFTTEL RAISES QUESTION RE ABSENCE OF RONALDO COSTA AND MINISTRY OF INDUSTRY AND COMMERCE REPRESENTATIVE. PINTO IS RESPONSIBLE DIRECTLY TO MINISTER OF INDUSTRY AND COMMERCE. MINISTER ACCORDINGLY WOULD
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PROBABLY JUDGE THAT ADDITIONAL REPRESENTATIVE FROM HIS DE-

PARTMENT NOT ONLY UNNECESS

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